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August 6th, 2018

Children, Families, Health, and Human Services Interim Committee

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RE: REINSTATEMENT OF STATE BUDGET CUTS

Benefis Health System is one of many facilities that presents today to advocate for the patients negatively impacted by the fiscal revisions in Senate Bill 261 and the state fiscal cuts that followed in the Special Session.

Benefis Health System is a private, nonprofit, community health care system located in Great Falls and is currently the second largest health care system in the state. Annually, Benefis has over 30,000 home care visits and 137,000 acute and long-term care patient days. Benefis has a total of 402 beds, 220 of which are acute care beds. Benefis also has 64 long-term care beds and assisted living apartments. Although it resides in Cascade County, Benefis is the sole provider of many essential services in the 38,000 square mile region.

Like other healthcare systems throughout the state, Benefis has not been immune to the impacts of the federal and state financial cuts creating more uncertainties. The Affordable Care Act and HELP Act have improved access and affordable care substantially. Since its enactment in 2015, Medicaid expansion has extended access to quality affordable health care and workforce opportunities to over 96,000 people, roughly 7,440 of which were in Cascade County. The presence of this program has supported patient financial wellbeing and removed many of the social economic barriers preventing access for patients, many of which residing in long-term care facilities dependent on senior service programs. Going forward, Benefis will continue to focus efforts on supporting the vitality and prosperity of this crucial program and the sustainability of affordable care for our patients.

Unfortunately, the future of many governmental reimbursement programs and the impact of forthcoming regulatory changes and cuts remain unclear. As an organization with a 75.7% government payor mix, proposed changes at both the state and federal level have the potential to impact our patient populations and public health substantially. Due to our large government payor mix composed of Medicare, Medicaid, and Indian Health Services the enacted cuts drastically impact the financial wellbeing and security of many of our patients. Furthermore, these cuts are injurious enough to impact



operational margins in a time that is already riddled with uncertainty for health care systems struggling to maintain quality senior service programs.

In closing, Benefis urges all respective parties that restoration of Medicaid cuts be honored and that these funds be restored in entirety as identified in special session Senate Bill 9. Furthermore, Benefis respectfully requests that the 3 million plus dollars in funds cut from nursing homes in fiscal year 18 be reinstated in cadence with the restored cuts from the special session. Finally, Benefis Health System would like to thank Governor Steve Bullock for his tireless efforts maintaining Medicaid expansion in Montana. Benefis trusts that he will consider appropriating funds to the proposed areas with a special focus on the vulnerable populations impacted.